

PART 846—QUALITY ASSURANCE

TABLE OF CONTENTS

SUBPART 846.3—CONTRACT CLAUSES

- 846.302-70 Inspection.
- | 846.312 Construction contracts.

SUBPART 846.4—GOVERNMENT CONTRACT QUALITY ASSURANCE

- 846.408-70 Inspection of subsistence.
- 846.408-71 Waiver of USDA inspection and specifications.
- 846.470 Use of commercial organizations for inspections and grading services.
- 846.471 Determination authority.
- 846.472 Inspection of repairs for properties under the Loan Guaranty and Direct Loan Programs.
- 846.472-1 Repairs of \$1,000 or less.
- 846.472-2 Repairs in excess of \$1,000.

SUBPART 846.7—WARRANTIES

- | 846.710 Construction contracts.
- 846.710-70 Special warranties.
- 846.710-71 Warranty for construction—guarantee period services.

SUBPART 846.70—QUALITY IMPROVEMENT REPORTS

- 846.7001 Scope.
- 846.7002 Initiation.
- 846.7003 Reporting and processing medical materiel complaints/quality improvement report file.
- 846.7004 Quality complaints.
- 846.7004-1 Locally purchased items.
- 846.7004-3 VA and all other items.
- 846.7004-4 Procurement action pending resolution of quality complaints.
- 846.7005 New item.
- 846.7005-1 Distribution and VA National Acquisition Center action.
- 846.7006 Similar item.
- 846.7007 Emergency procedures.
- 846.7008 Program review.

SUBPART 846.71—PRODUCTION EVALUATION REPORTS

- 846.7101 General.
- 846.7102 Submission of reports.

This page is blank.

Part 846 - Quality Assurance

PART 846 - QUALITY ASSURANCE

SUBPART 846.3 – CONTRACT CLAUSES

846.302-70 Inspection.

Contracts for property will include the clause 852.211-72(a), “Rejected Goods,” except that contracts for packinghouse, dairy products, bread and baker products, and fresh and frozen fruits and vegetables will include the clause prescribed in 852.211-72(b), “Rejected Goods.”

846.312 Construction contacts.

The contracting officer shall insert the clause at 852.236-74, Inspection of construction, in solicitations and contracts for construction that include the FAR clause at 52.246-12, Inspection of Construction.

SUBPART 846.4 - GOVERNMENT CONTRACT QUALITY ASSURANCE

846.408-70 Inspection of subsistence.

(a) The contracting officer will determine at the time of issuance of the solicitation whether inspection for specification compliance will be made:

- (1) Prior to shipment by representatives of the U.S. Department of Agriculture (USDA) or the Department of Commerce, or
- (2) At the time of delivery by personnel of the purchasing activity.

The place of inspection will be indicated in the solicitation.

(b) Since the requirement for USDA or Department of Commerce inspections and certifications result in additional contractor costs which may be ultimately reflected in bid prices, the contracting officer, in consultation with the Chief, Nutrition and Food Service, must evaluate the need for such inspections. The evaluation shall include the following:

- (1) The quality assurance already provided by other mandatory inspection systems;
- (2) The proposed suppliers’ own quality control system;
- (3) Experience with the proposed suppliers;

Part 846 - Quality Assurance

(4) The feasibility of pre-qualifying suppliers' quality assurance systems and subsequently waiving certifications for future solicitations; and

(5) The cost of the inspections.

(c) When either the USDA or the Department of Commerce is indicated as the inspection activity, the solicitation will also provide that the contractor is responsible for:

(1) Arranging and paying for inspection services.

(2) Obtaining from the inspection activity a certificate indicating the product complies with specifications. Such certificate, or copy, should accompany the shipment or be furnished to the receiving installation prior to shipment. The contractor shall notify the installation when the certificate is not immediately available.

(3) Seeing that acceptable products are covered by an inspection agency checkloading certificate or stamped by the inspector as prescribed by the contracting officer. Products not so identified shall be rejected.

(4) Furnishing samples for inspection at his/her expense.

(5) Indicating the address where inspection will be made.

(d) The contracting officer will furnish a copy of the purchase document to the inspecting activity.

846.408-71 Waiver of USDA inspection and specifications.

(a) Contracting officers may purchase butter; cheese (except cottage cheese); sausage; meat food products*; bacon, smoked; and bacon, Canadian style, without reference to the specifications in Part IV of the Federal Supply Catalog, Stock List, FSC Group 89, Subsistence, Publication No. C8900-SL, and the USDA inspection requirements, when the amount of an item to be purchased will not exceed 500 pounds per delivery. When these items are procured together with items that are not exempt, the solicitation shall include the following:

Items . . . are not required to be in accordance with the specifications contained in Part IV of the Federal Supply Catalog,

Part 846 - Quality Assurance

Stock List, FSC Group 89, Subsistence, Publication No. C8900-SL, and the special USDA inspection is not required. Inspection for quality and condition will be made by VA upon delivery at destination. These items are, however, subject to the quality controls stated herein.

(b) As appropriate, the following statements shall be included in each invitation for bid, request for proposal or purchase order:

(1) Butter. This product must be graded by the USDA and labeled "Grade A" or the grade specified herein.

(2) Sausage and meat food products:

(i) This product must be a high commercial product and shall have been prepared in a federally inspected plant and bear the USDA establishment number stamp which evidences that it is sound, healthful, wholesome and fit for human consumption; and

(ii) This product must bear a label complying with the Federal Food, Drug and Cosmetic Act which requires that all ingredients be listed according to the order of their predominance.

(3) Bacon, smoked; and bacon, Canadian style. This product must be a high commercial product and shall have been prepared in a federally inspected plant and bear the USDA establishment number stamp which evidences that it is sound, healthful, wholesome, and fit for human consumption.

(c) When using a "brand name or equal" purchase description, every brand name item that is known to be acceptable and available in the area will be listed.

**Meat food products shall mean processed foods containing meat in substantial proportion and other listed ingredients including seasoning, e.g., frankfurters, coldcuts. Whole or prefabricated meats, e.g., pork chops, hamburger, are considered meats, not meat food products.*

THE NEXT PAGE IS PAGE 46-3

Part 846 - Quality Assurance

This page is blank.

Part 846 - Quality Assurance

846.470 Use of commercial organizations for inspections and grading services.

Commercial organizations may be used for inspection and grading services when it is determined that the results of a technical inspection or grading are dependent upon the application of scientific principles or specialized techniques, and it is further determined that:

- (a) The Department of Veterans Affairs is unable to employ the personnel qualified to properly perform the services and is unable to locate another Federal agency capable of providing the service.
- (b) The inspection or grading results issued by a private organization are essential to verify the acceptance or rejection of a special commodity.
- (c) The services may be performed without direct Government supervision.

846.471 Determination authority.

The determinations required in 846.470 will be made by:

- (a) The Chief Facilities Management Officer, Office of Facilities Management, for those items and services for which purchase authority has been assigned to him/her.
- (b) The Director, Veterans Canteen Service, for those items and services purchased, or contracted for, by the Veterans Canteen Service (except those items purchased from Department of Veterans Affairs supply sources).
- (c) The Deputy Assistant Secretary for Acquisition and Materiel Management for all other supplies, equipment and services.

846.472 Inspection of repairs for properties under the Loan Guaranty and Direct Loan Programs.

Final inspection will be made of all repair programs upon completion. In addition such intermediate or progress inspections will be made on extensive or technical jobs as specified in the contract.

Part 846 - Quality Assurance

846.472-1 Repairs of \$1,000 or less.

(a) Generally, inspections required will be made by the management broker. If the property has not been assigned to a management broker or if it has been determined that the nature of the repairs requires supervision by a technician, the inspection will be made by a qualified fee or staff inspector.

(b) There is no form prescribed for this inspection but VA Form 26-1839, Compliance Inspection Report, may be used if desired. Regardless of the form in which the report is submitted, it will be in sufficient detail to identify the contractor, property, and the repair program and to enable the contracting officer to make a determination that the work is being performed satisfactorily or completed in accordance with the terms of the contract.

846.472-2 Repairs in excess of \$1,000.

(a) The final inspection and any intermediate or progress inspections on repairs exceeding \$1,000 will be made by a qualified fee or staff inspector. If a management broker is qualified to supervise major repairs, he/she may be authorized to conduct the inspections.

(b) Report of inspections will be made on VA Form 26-1839, Compliance Inspection Report. The form will be completed to identify the property, contractor, and repair program and will also include such detailed information to enable the contracting officer to make a determination that the work is being performed satisfactorily or that it has been completed in accordance with the terms of the contract. Any deficiencies noted will be itemized and explained in detail.

SUBPART 846.7 – WARRANTIES

846.710 Construction contracts.

Contracting officers shall insert the FAR clause at 52.246-21, Warranty of Construction, in solicitations and contracts for construction that are expected to exceed the micro-purchase threshold.

846.710-70 Special warranties.

The contracting office shall insert the clause at 852.246-1, Special warranties, in solicitations and contracts for construction that include the FAR clause at 52.246-21, Warranty for Construction.

Part 846 - Quality Assurance

846.710-71 Warranty for construction – guarantee period services.

The contracting office shall insert the clause at 852.246-2, Warranty for construction – guarantee period services, in solicitations and contracts for construction that include the FAR clause at 52.246-21, Warranty for Construction, and also include guarantee period services.

:::SUBPART 846.70 - QUALITY IMPROVEMENT REPORTS:::

:::846.7001 Scope.

The purpose of this subpart is to provide users with a positive means to report deficiencies, recommend improvements, introduce new items and report similar items required from other than the highest priority source. SF 380, Reporting and Processing Medical Materiel Complaints/Quality Improvements Report, will normally be used for this purpose. This form is designed to easily identify the purpose of the submission by providing blocks to be checked for a quality complaint, new item or similar item. This procedure increases the efficiency of the supply system by utilizing user experience and expertise.:::

:::846.7002 Initiation.

Any using activity may initiate SF 380 when appropriate or at the request of the Chief, Acquisition and Materiel Management Service. The original and one copy will be forwarded to the Chief, Acquisition and Materiel Management Service. Additionally, the Chief, Acquisition and Materiel Management Service, may initiate SF 380 based on other means of communications or personal knowledge.:::

:::846.7003 Reporting and processing medical materiel complaints/quality improvement report file.

Reports will be serially numbered by the procurement activity on a fiscal year basis and one copy retained and filed in numerical sequence. The file will be annotated or supplemented by subsequent actions and the initiator advised on the findings or results of the report.:::

:::846.7004 Quality complaint

(a) This item within block 1B will be used to report characteristics which cause failure or inadequacy, such as design, quality or performance of the components or ingredients, safety features, etc. This report will be submitted only on items in use at the station.

Part 846 - Quality Assurance

(b) The recommendations will specify the changes necessary to the unsatisfactory item to make it satisfactory. If, as a part of the recommended corrective action, it is proposed that only a single brand name product will remedy the situation, the specific features available on that product and their relation to the functional requirements must be stated. Identification of a brand name product will not be considered as a request to stock or standardize a proprietary item.

(c) The Chief, Acquisition and Materiel Management Service, or subordinate, will conduct an investigation to attempt to determine the cause of the complaint. In conjunction with the validation, the extent of the defect or discrepancy should also be determined. Should the defect or discrepancy be determined to be hazardous, then those instructions outlined in VA manual MP-2, subchapter E, subpart 108-25.53, Potentially Hazardous Products, should be followed. SF 380 will not be used to report hazardous products. Particular attention will be paid to the inspection function while conducting the investigation. (Experience has shown that many quality complaints are related to inadequate inspection.) Results of any local investigation shall be provided.

(d) The additional remarks furnished by the Chief, Acquisition and Materiel Management Service, will specifically state the action taken by the station or requested of the National Acquisition Center or GSA to resolve the problem. For example:

- (1) The item is being used as intended to be used but suggested changes or improvements should be incorporated in revised specifications,
- (2) the item cannot be used and replacement is necessary,
- (3) the item was obtained from contract, and is being returned to or corrected by the contractor,
- (4) return to the appropriate depot is requested, or
- (5) corrective action (specify) is requested or is being or has been taken by the station.

(e) All efforts should be made to retain samples of the item in question until resolution of the complaint.

(f) This report will not be used for discrepancies in shipments (see VA manual MP-2, subchapter G, subpart 108-40.7).:::

Part 846 - Quality Assurance

:::846.7004-1 Locally purchased items.

Quality complaints and/or problems on items purchased from other than a mandatory source shall be resolved by the Chief, Acquisition and Materiel Management Service, who will advise the initiator of the action taken. If the problem cannot be resolved locally, technical advice and assistance may be requested from the Executive Director and Chief Operating Officer, VA National Acquisition Center (904).:::

:::846.7004-3 VA and all other items.

(a) For quality complaints on items obtained from all other sources, including those Federal Supply Schedules established by the Department of Veterans Affairs, the Chief, Acquisition and Materiel Management Service, will complete the report and submit the original and two copies to the Executive Director and Chief Operating Officer, VA National Acquisition Center (904G). If the item is a drug, biologic, chemical, or reagent, one copy will be forwarded directly to Central Office (119), and one copy will be forwarded directly to the Director, Medical Products Quality Assurance Staff (HFO-25), Food and Drug Administration, Department of Health and Human Services, 5600 Fishers Lane, Rockville, Maryland 20857. For those complaints involving a medical device, the VA National Acquisition Center will forward a copy of the complaint to the FDA for review. Reasonable effort will be made to utilize items on hand covered by the report.

(b) The VA National Acquisition Center will take prompt action to resolve the quality complaint and will notify the station within 20 working days as to the action taken. Controls will be established to assure that each station concerned is kept fully informed as to the status of pending reports. When action has been completed and the complaint resolved, a copy of the report, properly annotated, will be forwarded to the Deputy Assistant Secretary for Acquisition and Materiel Management for review and submission to the Central Office using service.

(c) When the report submitted by the field station covers items available from Federal Prison Industries, the VA National Acquisition Center will present the problem to Federal Prison Industries, HOLC Building, First Street and Indiana Avenue, NW., Washington, DC 20537. Further action will be the same as in paragraph (b) of this section.:::

:::846.7004-4 Procurement action pending resolution of quality complaints.

The procedure for procuring from a lower priority source pending the resolution of a quality complaint on a higher source item is established in 872.003. This procedure will normally only be used in cases of direct patient care items.:::

Part 846 - Quality Assurance

:::846.7005 New item.

- (a) This block will be checked to recommend introducing a new item for consideration through centralized purchasing procedures, either VA or GSA. A new item may be recommended when an item available will not serve the required functional end use requirements and special product characteristics that are essential cannot be incorporated into an existing item.
- (b) If the new item will replace an existing item, the existing item will be identified in blocks 2 through 17, as applicable. Otherwise these blocks will be left blank.
- (c) The description will include the commercial nomenclature, make, model, voltage, cycles, amperage, and weight, as applicable. The recommendation will include the specific advantages of the item cited.
- (d) The station Standards Committee, established in accordance with VA manual MP-2, subchapter E, 108-31.5003(c), will evaluate the advantages of the recommended new item and its appropriateness for VA-wide or Government-wide adoption. The concurrence and recommendations of the committee will be included on or attached to the report. The Chief, Acquisition and Materiel Management Service, will indicate the estimated annual or one-time requirements for the recommended item in the remarks.:::

:::846.7005-1 Distribution and VA National Acquisition Center action.

- (a) The original and one copy of SF 380 recommending standardization of new items, regardless of potential source of supply, will be forwarded to the Executive Director and Chief Operating Officer, VA National Acquisition Center (904G) (VA manual MP-2, subchapter E, 108-26.102-52).
- (b) The VA National Acquisition Center will forward the original to the interested service in Central Office for approval, rejection or comment and return. The duplicate copy will be retained by the VA National Acquisition Center for follow-up purposes. If more information is required, the interested service in Central Office will contact the Chief, Acquisition and Materiel Management Service, at the originating station. If the recommendation is rejected, the VA National Acquisition Center will advise the originating station.
- (c) The VA National Acquisition Center will circulate a consolidated listing of items approved by Central Office to all field stations in order to determine

Part 846 - Quality Assurance

national requirements and identify potential users. The consolidated field requirements survey will be prepared at least once a quarter or when at least 10 items are ready for circulation.

(d) The VA National Acquisition Center will advise the initiating station of the action taken with 20 working days of receipt.

(e) VA field stations will indicate on the listing the items that will be used and the estimated requirement. The listing will be returned to the VA National Acquisition Center to meet the established due date.

(f) The VA National Acquisition Center will consolidate the VA national requirements and take appropriate action to include those items for which the VA has procurement and distribution responsibility in the VA supply system. The consolidated requirements for items which are the responsibility of GSA will be identified by GSA region and furnished to the Assistant Commissioner, Office of Customer Service and Support, GSA, Washington, DC 20405, for establishment of supply support.:::

846.7006 Similar item.

(a) This block will be checked when an item is required because a similar item available from a higher priority source will not adequately perform the functional requirements, the item is not justified on the basis of a quality complaint and its usage does not warrant recommendation to standardize a new item. This procedure will apply when the item required is for a one-time or limited need, is for a unique or local situation, would be impractical for nationwide utilization or is necessitated by the physical plant, design, station layout or station technique and the higher priority item is acceptable for other types of use or for other ordering departments.

(b) SF 380 will be prepared to fully document the reason the item available from a higher priority source is not adequate and will identify the salient features of the item required that enables it to adequately perform the required function. Justification will not be based on a brand name.

(c) The original of SF 380 will be forwarded to the Executive Director and Chief Operating Officer, VA National Acquisition Center (904G). These reports are for information and review and normally a reply is not necessary.:::

Part 846 Quality Assurance

:::846.7007 Emergency procedures.

When, in the opinion of the Chief, Acquisition and Materiel Management Service, the nature of the quality complaint is such that immediate action is necessary, he/she will wire or telephone the VA National Acquisition Center or the appropriate GSA regional office. A confirming SF 380 or 368, Quality Deficiency Report, as appropriate, will be submitted.:::

:::846.7008 Program review.

The Deputy Assistant Secretary for Acquisition and Materiel Management will conduct a periodic review of the Quality Improvement Report program to assure that the following basic objectives are being obtained:

- (a) Customer satisfaction through timely corrective action and constructive replies to their reports.
- (b) Adequate follow-up action is taken by the VA National Acquisition Center when the Quality Improvement Report indicates the products can be improved through changes in the product descriptions or inspection and test procedure.:::

:::SUBPART 846.71 - PRODUCT EVALUATION REPORTS:::

:::846.7101 General.

- (a) The product evaluation report is designed to inform contracting personnel of the performance of new equipment, the appropriateness of design and the adequacy of materials used in the manufacture, insofar as they affect the ability of the equipment to perform its intended function. It shall be used to report:
 - (1) Quality of performance.
 - (2) Operating difficulties.
 - (3) Malfunctions.
 - (4) Downtime due to malfunctions.
 - (5) Adequacy of materials used in manufacture as they affect the intended use of the equipment.

Part 846 Quality Assurance

(6) Any other information the contracting officer may request to insure that the specification or purchase request is adequate.

(b) This subpart is not applicable to the procurement of ADP equipment. The Office of Data Management and Telecommunications is responsible for the evaluation of such equipment. However, deficiencies, operating difficulties, etc., requiring remedial action by the contractor will be reported promptly to the contracting officer.:::

:::846.7102 Submission of reports.

(a) The contracting officer may request the user to submit a written report on:

(1) *New equipment* that:

(i) Involves installation; or

(ii) Is of a technical nature; or

(iii) Is of a complex design and is not in commercial production; or

(iv) Is a commercial item modified to meet a specific performance requirement of the user.

NOTE: NEW is defined as centrally managed equipment initially purchased by the VA for VA use and equipment purchased by a station when the specification used is listed in section VII, VA Catalog No. 3, and a product evaluation report is requested by the Deputy Assistant Secretary for Acquisition and Materiel Management (90).

(2) *Portable equipment.* Equipment not necessarily having a characteristic specified in paragraph (a) (1) of this section, when the contracting officer determines that a report is necessary to insure that the equipment is fulfilling the intended need.

(3) *Centrally managed equipment.* These reports, when requested, will be submitted through the Chief, Acquisition and Materiel Management Service, to the Executive Director and Chief Operating Officer, VA National Acquisition Center, P.O.

Part 846 Quality Assurance

Box 76, Hines, Illinois 60141 within 60 days after the request is made. On new equipment a minimum of six stations will be requested to submit a report.

(4) *Equipment purchased in accordance with a specification listed in section VII, VA Catalog No. 3.* The Deputy Assistant Secretary for Acquisition and Materiel Management (90) shall determine, at the time the request is made by the station contracting officer for a copy of the specification, whether or not a product evaluation will be submitted. The report, under these circumstances will be submitted to the Deputy Assistant Secretary for Acquisition and Materiel Management (90).

(b) When equipment, such as that described in paragraph (a) (2) or (4) of this section, including that purchased from a FSS contract for which GSA has contracting responsibility, is shown by the product evaluation report to be deficient, the Chief, Acquisition and Materiel Management Service, will immediately institute proceedings with the contractor to have such equipment placed in first-class operating condition. If such proceedings fail to secure the desired results the matter will, in the case of FSS items, be handled as provided in 846.7004. In the case of other items, the advice of the General Counsel will be secured as provided in 801.602-2.

(c) If deficiencies develop after the submission of an initial satisfactory evaluation report that required corrective action under the guarantee, the user will promptly notify the Chief, Acquisition and Materiel Management Service. The Chief, Acquisition and Materiel Management Service, will record all such reports and make arrangements with the manufacturer (or supplier) to have the item put in first-class operating condition. If any delay or difficulty is encountered in securing repairs or replacement of centrally managed items that are still within the guaranty period, the Executive Director and Chief Operating Officer, VA National Acquisition Center, will be promptly notified and furnished all pertinent details. The Chief of the appropriate VA National Acquisition Center division shall then assume all responsibility to assure that repair or replacement is effected in accordance with the contract.

(d) The Chief of each VA National Acquisition Center division and the Deputy Assistant Secretary for Acquisition and Materiel Management (90) will establish a product evaluation file for their respective commodities. This file shall contain the evaluation reports received and a record of all corrective actions taken including specification revision, where necessary, or establishment of a qualified products list.

Part 846 Quality Assurance

(e) Contracting officers shall assure that copies of evaluation reports and resultant contract administration actions are included in the contract file.:::

[BLANK PAGE]